



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

m/c 45 '019

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March 28, 2002

Ms. Jennie Weible
IMM-Dworkin Holdings Ltd.
23205 Mercantile Road
Beachwood, Ohio 44122

Re: IMM Permit Transfer Clarification Request, Yellow Hammer Mine and Kiewit Zone Exploration Project, IMM Dworkin Holdings Ltd., M/045/019, and E/045/052, Tooele County, Utah

Dear Ms. Weible:

This letter is sent in response to your March 27, 2002, telephone request. You called and asked me to send you a letter that would provide further clarification regarding the bonding requirements necessary to complete the permit transfer process for the Yellow Hammer Mine and Kiewit Zone Exploration Project. In our March 18, 2002, letter to you we cited the following permit transfer requirements:

R647-4-120, Transfer of Notice of Intention. *"the new mine operator will be required to post a new reclamation surety and must assume full responsibility for continued mining operations and reclamation."*

This rule requires the new mine operator (i.e., new permittee) to provide a replacement reclamation surety before the Division can finalize the permit transfers. Upon receipt of the new surety, IMM Dworkin Holdings Ltd. (IMM) will effectively become the new operator/permittee of record. American Consolidated/Clifton Mining Company will subsequently have no continued reclamation responsibility under the existing permits. Even though IMM now owns the properties and both parties have signed the transfer documents, the transaction is not considered complete until a replacement surety is received.

Therefore, we again request that IMM provide us with a \$9,100.00 reclamation surety to insure the revegetation success of the reclamation work performed on both project areas. I trust this letter will clarify your understanding of the permit transfer requirements. Please contact me at (801)538-5286, if I can provide you with further assistance in this regard.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

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